

**CONFIDENTIAL**

Executive for A2M

29 October 1948

General Counsel

FBI London Communications

1. This appears to be a simple arrangement for payment of services directly benefiting CIA and is, therefore, a proper object for expenditure of CIA funds. Unless, however, we can clearly show that there is a commitment to furnish the services for which we are paying, we may be subject to the charge that this is merely a device to supplement the Signal Corps' appropriation. We should, therefore, at the time we agree to contribute to this program, obtain some guarantee of our minimum needs, which appear to be 30,000 word groups from London to Washington and 20,000 from Washington to London.

2. Such reciprocal agreements are customary in establishing a reimbursement program such as this and are commonly arranged by the budget officer. We recommend that if this program is approved, the details of reimbursement be worked out in a routine manner by Mr. Saunders. We, of course, should be glad to assist if wanted.

LAWRENCE R. HOUSTON

LRH:mbt

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25 YEAR RE-REVIEW

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